

## **Remarks**

**Ambassador Stephen D. Mull**

**AmCham Breakfast at CMR**

**June 5, 2013**

Thanks, Rick, for that kind introduction, and thanks to all of you for joining us today. I also want to welcome a special guest who is with us from Washington, Deputy Assistant Secretary of State for European and Eurasian Affairs, Brent Hartley. Brent is the senior Washington official who deals with Central and Eastern European Affairs, and I am really delighted he is beginning his day in Poland by spending time with the U.S. business community, which is one of the greatest assets of the United States in Poland.

Yesterday we marked with President Komorowski and other legends of Poland's democratic movement the 24<sup>th</sup> anniversary of that amazing turning point of Poland's modern political history, the

elections to the so-called contract Sejm of June 4, 1989. Against all odds and predictions, Solidarity won 160 of the 161 seats that were freely competed, setting into motion one of the most extraordinary bloodless revolutions in history, with the transitional government of Tadeusz Mazowiecki, the difficult years of shock therapy that gave this economy a firm foundation for unrivaled growth, free Presidential elections, major economic restructuring, an explosion of free press and political parties, and finally culminating in more recent years with membership in NATO and the European Union, putting Poland in its most secure position in 300 years.

From the very beginning of this remarkable story, AmCham and the Embassy have worked closely together to promote the success of American companies here and our broader economic interests of free trade, open market access, an even playing field, regulatory predictability and transparency, and a strengthened rule of law.

And, let's not forget, profits for all!

As the turbulence of the end of the cold war gave way to unprecedented security and economic growth for the past generation in Poland, there is rising worry that we risk complacency about U.S. engagement here. There are charges that the U.S. has pivoted to Asia, losing interest in Poland and Europe as strategic partners, and that the big ideas that animated U.S.-Polish relations since World War II have disappeared. That Poles have soured on the U.S. as a result of disappointment in offsets, a lack of business opportunities in Iraq and Afghanistan, and unhappiness with U.S. visa policy. And that the siren call of Europe would make the U.S. increasingly irrelevant in Poland.

We know the truth is different. We know from your growing numbers in AmCham that investment continues to grow. We know the shale gas revolution in the United States has excited the Polish imagination on how best to diversify energy supply here. We know that the US-EU economic relationship is the mightiest and wealthiest in the world. We know that far from diminishing, U.S.-Polish military engagement is increasing, to a point where Defense Minister Siemoniak stated that our military relations have never been closer or better, as we remain on track to open a second military base here in 2018. And in our hearts, we know that the relationship between the United States and Poland is a special one that is based on eternal common values and friendship; on

Poland's solid reliability as an ally when we're in danger; and on America's sacred guarantee of European security, to which Poland's prosperity today owes so much.

But the critics are right about one thing, and that is that in the midst of so much success and prosperity, there is a significant risk of complacency that we have to guard against. Or in the words of one of my favorite Polish proverbs, *Kto nie idzie naprzód, ten się cofa*, or, if you're not moving forward, you're moving backwards.

And, my friends, we have a lot to move forward on in the coming months. In addition to a very busy bilateral commercial agenda, this year we will be working hard on some broader structural aspects of our economic relations here.

First of all, and most importantly, the proposed Transatlantic Trade and Investment Partnership has the potential to be a major contributor to economic growth and tighter strategic links within the transatlantic community. Although we are still early in the process

and the scope of the negotiations is not yet determined, the US-EU High Level Working Group on Growth and Jobs has set out a long list of topics for the proposed agreement to address: tariffs; services; investment reforms and protection; government procurement; WTO-plus rules on sanitary issues; intellectual property rights; trade facilitation; competition policy, labor and the environment.

Poland has the 6<sup>th</sup> largest economy in the EU and is the largest partner to the United States in Central Europe, but directly accounts for less than 2% of U.S. trade with the European Union. To the extent that TTIP is able to reduce barriers to trade with the European Union, our trade with Poland could grow. Both America and Poland benefit from direct investment in each other's countries, and a successful TTIP would facilitate investment in both directions. A high-standard TTIP agreement could also increase innovation in Poland by aligning standards and systems. Given all of these

potential benefits, I suspect that the vast majority of AmCham members want to see TTIP succeed.

The AmCham Board and member companies can play an important role in the process. I know that the AmCham Board is already planning a series of activities to identify and publicize the potential benefits of TTIP to Poland, and to gauge the attitudes of the Polish business community and government concerning the negotiations.

We welcome these activities as well as your input and your advocacy in promoting the TTIP. We look forward to staying in close contact with you on the TTIP process as it progresses.

The second area of cooperation that I want to highlight today is education.

I recently met with members of the newly formed AmCham Education Committee. We discussed the importance of promoting educational opportunities in the United States for Polish students and coordinating scholarships and internship programs. We also discussed the important question of how academia in Poland

cooperates with the private sector, not only to develop the types of curricula that will prepare the next generation for the challenges of tomorrow's technologies, but also to find ways to bring new and innovative ideas to market.

Our Embassy promotes the education agenda in a number of ways:

- We assist the Polish government in implementing its TOP 500 innovators program, which sends Polish scientists and researchers to Stanford and Berkeley to learn firsthand from Silicon Valley entrepreneurs and experts how to turn ideas into products.
- We have worked with the Polish-American Freedom Foundation in developing its internship program to give talented Polish students the opportunity to work in leading U.S. companies. Thank you to those companies represented here today that participate in the program. To the rest, I urge you to consider the possibility of participating as well.

- Our Foreign Commercial Service periodically hosts education trade fairs, and plans another for next April.

AmCham member companies have a lot to offer in fostering this kind of collaboration with academia, and I know that many of you are already deeply engaged in such activities. The report, *The Next Level*, that AmCham prepared for last year's business summit, includes a list of dozens of links that companies -- including 3M, Boeing, Colgate-Palmolive, GE and GE Hitachi, IBM, and Intel -- have developed with Polish universities. I've been really proud to see extensive U.S. business involvement in the technology and innovation centers that are sprouting up around the country in places like Poznan, Wrocław and Rzesów. Joint projects and programs like these don't just help individual businesses to thrive, they also really reflect well on the United States and contribute to an innovation climate that plays to the natural advantage of U.S. business.

This is all a very encouraging start, but we have a lot yet to do, and the Embassy looks forward to a very active agenda with the AmCham education committee in the coming months to make a lot more progress.

**A third critical issue for us to tackle is cyber security.**

The Embassy and your Security and Defense Committee recently co-organized a successful Cyber Security seminar here at my residence in May. President Obama has identified cyber security as one of the most serious economic and national security challenges we face as a nation. Last month's seminar was just the beginning of our work in this area. Despite broad agreement in both our countries that cyberspace is the new frontier of our security, as NATO defense ministers indicated in Brussels yesterday, we have a long way to go in coordinating our efforts both between and within our countries in the military, intelligence, commercial, diplomatic, legal and political dimensions. We are

launching an internal cyber security working group here at the embassy to help coordinate our own efforts, and we look forward to working with you in the coming months to identify our key goals and strategies for achieving them.

**The fourth critical issue is business-government dialogue.**

I know many of you wish the Polish government had a more systematic and transparent way of consulting with businesses that can provide useful input into policymaking. In the absence of such input, policymakers may not be able to predict accurately the practical results of the laws or regulations that they are considering.

I was therefore pleased when I was able to host a seminar on business-to-government dialogue at my residence in March.

AmCham organized this productive event, which brought together senior Polish officials with business representatives and an expert from the U.S. Department of Commerce to discuss how best to foster productive interaction between the public and private sectors.

Like the Cyber Security event, this seminar was planned as a first step, a way to start the conversation. One of the results of the meeting was further contact between the Department of Commerce and Polish ministries seeking guidance on how to establish Advisory Committees such as those the U.S. government uses to provide input into rulemaking. AmCham remains engaged on this issue, having hosted a well-attended follow-up seminar last month. There is still much work to be done in this area, but we believe that through our collaboration we have initiated a serious discussion within the Polish government on how to improve policymaking procedures. We will keep delivering this message, but we also ask your help to continue, as you have in the past, to identify and bring to our attention specific areas of concern.

While we take on these longer term structural issues in our economic relations, we also have an intense day to day commercial agenda in the coming months which is going to require our very close collaboration and partnership.

The U.S. government strongly welcomes Poland's massive defense modernization program, to which the Tusk government has committed 130 billion zloties over the next ten years for air and missile defense, helicopters, naval ships, jet trainers and command and control systems. The program offers unprecedented opportunities for the U.S. defense industry, the world's leader, to tighten both our economic relations and our strategic ties.

On energy, we continue to hold out hopes for the development of Poland's shale gas industry, despite the recent high-profile departures of some firms. We're heartened that our coordinated efforts to persuade the government to adopt a regulatory and fiscal climate that will encourage foreign investment seem to be having some impact, as the Prime Minister's recent public admonition made clear. We also continue to remain in close contact with

potential U.S. investors in Poland's nascent nuclear industry.

Although planning for the industry is moving at what we could diplomatically call a deliberate pace, we have organized a strong interagency support team in Washington to promote U.S. business aspirations once the tender process gets underway, as we have next door in the Czech Republic.

### **Path forward on Visas**

No talk would be complete without a mention of the Visa Waiver Program. As many of you likely know, language amending the Visa Waiver Program to allow the administration leeway to extend participation in the program to countries such as Poland was included in draft Comprehensive Immigration Reform legislation recently approved by the Senate Judiciary Committee. As Secretary Kerry told Foreign Minister Sikorski in Washington on Monday, the idea of lifting visa requirements for Polish tourists makes great sense, and is long past due. The sponsors of the immigration reform bill seem to be picking up momentum and some

predict passage by the fall. While I wouldn't dare to predict the ultimate outcome in the Congress, those of us in the administration are greatly encouraged by recent progress and are cautiously optimistic about the way ahead.

## **Closing**

The future promises an increasingly close US-Polish relationship as we work together to adapt to challenges that are complex and global in scale. The American business community in Poland plays a vital role in this relationship. In countless joint projects like those mentioned today, the AmCham and its member companies can help the Embassy to promote the goals we share in our commercial relationship with Poland. By the same token, the Embassy's economic and commercial team stands ready to assist you in any way we can.

Now I would be happy to answer your questions.